



SF 2219 – Early Intervention Block Grant (LSB 5546H8277)

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Fiscal Note Version – As Amended by H-8277

Description

House amendment **H-8277** to **SF 2219** extends the sunset date of the Early Intervention Block Grant Program from June 30, 2012, to June 30, 2017. Additionally, beginning in FY 2013, amendment H-8277 permits two-thirds of the funding generated through the State categorical supplement for early intervention (for purposes specified in [Iowa Code section 256D.2A](#)) to be used to fund costs associated with any education reform legislation enacted during the 2012 Legislative Session.

Background

The State categorical supplement for early intervention will total approximately \$30.3 million in FY 2013. Amendment H-8277 will allow school districts to use up to \$20.2 million in FY 2013 to fund education reform provisions enacted during the 2012 Legislative Session. Additionally, 42 school districts had FY 2011 ending fund balances designated for early intervention totaling \$1.7 million (an average of approximately \$40,000 per district with an ending fund balance greater than \$0.0, and an average of \$4,750 when all districts are included). Of the \$1.7 million, \$1.1 million will be available for those school districts to fund education reform provisions enacted during the current Legislative Session.

Assumptions

Based on provisions passed by the House in **HF 2380** (Education Reform), the LSA has identified the following as State mandates to school districts and area education agencies (AEAs).

Teacher and Administrator Performance (Division III of HF 2380): The estimated fiscal impact to school districts and AEAs as a result of increased educator evaluations is currently unknown and will be impacted by the type of evaluation systems developed. Requiring annual educator reviews by FY 2014 may increase the amount of school district staff needed to meet the requirement. Based on an average of 12.6 hours per review for experienced teachers and 17.1 hours for new teachers, the LSA estimates that the number of additional annual reviews for full-time teachers will total over 21,000 hours. Based on the average number of contract days for assistant principals, the LSA estimates that an additional 147.3 FTE assistant principals will be required statewide to administer the additional evaluations required at a cost of approximately \$15.0 million. This estimated cost does not account for teachers that are on intensive assistance plans that may require additional evaluation time.

Increase in the Minimum Hour Requirement for the Statewide Voluntary Preschool Program (SWVVP) (Division IX of HF 2380): The estimated fiscal impact is currently unknown and will vary between school districts. The Department of Education has indicated that the statewide average for minimum instruction hours is approximately 15 hours, but 23.4% of the school districts with the Program are currently at the ten-hour minimum. The Department has indicated that some districts may need to reduce the number of students to meet the new minimum hour requirement.

Assessment – Kindergarten Readiness (Division X of HF 2380): The estimated cost of this State mandate is estimated to be a minimum of \$360,000 and may cost \$600,000 if all students entering kindergarten are required to take the assessment.

Third Grade Literacy (Division XIV of HF 2380): House File 2380 requires funding for the Reading Enhancement and Acceleration Development (READ) Initiative to be included in the funding requirements of the early intervention supplement. The total funding required for the READ Initiative is unknown and will reduce the available funds currently used for other Early Intervention Block Grant Program initiatives. The Governor recommends redirecting \$5.0 million from early intervention supplement funding for the READ Initiative.

The current list of State mandates may not be complete. Additional legislation may be enacted after the publication of this fiscal note that will require school districts to use current available resources to meet the requirements of legislation enacted during the 2012 Legislative Session. The following table provides the potential costs associated with the State mandate provisions identified by the LSA.

**Education Reform Initiatives
Potential State Mandate Costs to School Districts and AEAs**

Education Reform Provision	Est. Cost
Teacher and Administrator Performance	\$15,000,000
Increase Minimum Hour Requirement for the SWVPP	Unknown
Assessment - Kindergarten Readiness	360,000
Third Grade Literacy	5,000,000
Estimated Total	\$20,360,000

Fiscal Impact

There is no overall fiscal impact to the General Fund resulting from H-8277. The amendment repurposes funding from the State categorical supplement for early intervention generated from the school aid formula, but does not change the appropriation amount from the General Fund or funding levels to school districts and AEAs.

Sources

Iowa Department of Education
Iowa Association of School Boards
LSA analysis and calculations

/s/ Holly M. Lyons

March 21, 2012

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
